



MINUTES

**CITY OF SCOTTSDALE FIRE LOCAL BOARD OF THE
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS)
REGULAR MEETING
10:00 a.m., Thursday, December 15, 2011
Human Resources Verde Conference Room
7575 E. Main Street
Scottsdale, Arizona 85251**

PRESENT: Jack Cross, Chairman/Mayoral Designee
Jeffrey Burg, Citizen Member
Velicia McMillan, Citizen Member/Merit Head (arrived at 10:10 a.m.)
Steve Springborn, Elected Member

ABSENT: Todd Cavner, Elected Member

STAFF: Colleen Barraza
Chanda Washington

Call to order

Chairman Cross called the meeting to order at 10:04 a.m. He stated that the first order of business was the acknowledgement of Board Member Cavner's excused absence and Board Member McMillan's expected late arrival.

Ms. Washington announced that Mr. Nemec was on vacation this week.

Roll call

A formal roll call confirmed the members present as stated above.

1. Review and Approval of Meeting Minutes—November 17, 2011

In response to Board Member Springborn's inquiry regarding whether the child benefits of Shelby Angulo could be canceled should Stacey Angulo ever remarry, Chairman Cross confirmed that guardian benefits are not affected by remarriage but surviving spouse benefits could be affected if a retired member passed away and they had been married for less than two years.

BOARD MEMBER BURG MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE NOVEMBER 17, 2011 PSPRS FIRE LOCAL BOARD MEETING AS PRESENTED. BOARD MEMBER SPRINGBORN SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF THREE (3) TO ZERO (0). BOARD MEMBER CAVNER WAS ABSENT AND BOARD MEMBER MCMILLAN ARRIVED LATER.

2. Discussion and Vote on the DROP (Deferred Retirement Option Plan) Termination and Normal Retirement Application of Firefighter Michael R. Lyon

Ms. Washington reported that Firefighter Michael R. Lyon was applying to enter the DROP as of December 2, 2011 with a total of 20.01 years of service. He currently has 6.455 years of service with the City of Scottsdale and had purchased an additional 13.555 years of prior service.

Ms. Washington stated that the monthly pension associated with Firefighter Lyon entering the DROP is \$3,066.39 and noted that all of his paperwork is in order.

In response to Board Member Springborn's inquiry about the prior service purchased by Firefighter Lyon, Ms. Washington responded that it was a combination of military time and prior Public Safety time earned with Tucson Fire and Aurora, Colorado.

BOARD MEMBER SPRINGBORN MOVED TO APPROVE THE DROP (DEFERRED RETIREMENT OPTION PLAN) APPLICATION OF FIREFIGHTER MICHAEL R. LYON EFFECTIVE DECEMBER 2, 2011 SUBJECT TO FINAL PAYROLL CALCULATIONS AND QUALIFIED DOMESTIC RELATIONS ORDERS. BOARD MEMBER BURG SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF THREE (3) TO ZERO (0). BOARD MEMBER CAVNER WAS ABSENT AND BOARD MEMBER MCMILLAN ARRIVED LATER.

CLOSED PUBLIC HEARING

3. Motion to Recess into Executive Session

Chairman Cross deemed it unnecessary to recess into Executive Session.

RECONVENE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM MEETING FOLLOWING EXECUTIVE SESSION

4. Review and discussion of staff research pertaining to fire insurance tax credits

Ms. Washington recalled that the Board had directed staff to research what portions of the contributions were received by the City from employees, what portion of the contributions were paid by the City of Scottsdale, as well as the premium tax credits associated with those contributions.

The Financial Services Department has provided staff with the requested information in a chart covering the fiscal years 2007 to the present.

Discussion ensued regarding whether the City contribution column includes the premium tax credits. Ms. Washington opined that it does not include the tax credits since they had included that information under a separate column. Chairman Cross opined that the City contribution column included the tax credits.

Board Member Springborn requested that staff find out how much employer contributions the City paid for fiscal year 2007-2008 minus the insurance premium tax. Ms. Washington agreed to clarify that information with the Financial Services Department and email the results to the Board members.

5. Report to the Board on recently Completed Transfers of Prior Service

Ms. Washington reported that a list of the current service transfers was included in the Board Members' notebooks under tab 5. Staff is maintaining a running total of all service transfers from April 2011 to the present date.

In response to Board Member Burg's inquiry regarding whether an employee's taxed pension was calculated using a proportional formula, Chairman Cross explained that it was calculated using an IRS table over their estimated lifetime.

In response to Board Member Springborn's inquiry regarding when the next anticipated increase in employee contributions will occur, Ms. Washington stated that it would occur in July.

In response to Board Member Springborn's inquiry regarding whether the City of Scottsdale was still overfunded, Ms. Washington stated that staff had not reviewed that information thoroughly.

6. Board suggestions for upcoming agenda items.

Ms. Washington presented copies of the City Manager's Annual Report to the Citizens, inviting the Board members to submit their questions and comments through the City's website.

ADJOURNMENT:

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 10:16 a.m.

Respectfully Submitted by:

REVIEWED BY:

Ken Nemec

Jack Cross

PSPRS Fire Local Board Secretary

PSPRS Chairman/Mayoral Designee